

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01
CIAE-00 COME-00 DODE-00 EB-08 FPC-01 H-01 INR-07
INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-05 USIA-06
OES-07 SP-02 SS-15 STR-05 TRSE-00 ACDA-12 NRC-05
PA-01 PRS-01 /115 W

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R 171422Z NOV 77

FM AMEMBASSY STOCKHOLM

TO SECSTATE WASHDC 2319

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E.O. 11652: N/A

TAGS: ENRG, SW

SUBJECT: SWEDISH NUCLEAR ENERGY SITUATION

1. THE SWEDISH PRESS, RADIO AND TELEVISION CONTINUE TO GIVE MAJOR ATTENTION TO THE DEBATE IN THE COALITION GOVERNMENT ON NUCLEAR POWER AND THE SPENT NUCLEAR FUEL STORAGE PROBLEM. CRITICAL DATES ARE COMING FOR DECISION BY THE GOVERNMENT ON THE SWEDISH NUCLEAR POWER PROGRAM. BEFORE THE END OF THE YEAR, THE GOVERNMENT MUST DECIDE WHETHER BARSEBACK 2 (REACTOR NUMBER 6) IS TO CONTINUE OPERATION. ON FEBRUARY 1, 1978, RINGHALS 3 (REACTOR NUMBER 7) WILL BE READY FOR CORE LOADING. SUGGESTIONS OF A REFERENDUM ON ENERGY, A NEW ELECTION, AND THE RESIGNATION OF THE PRIME MINISTER ARE NOW MORE FREQUENTLY MENTIONED IN THE PRESS. A BRIEF SUMMARY FOLLOWS OF THE NEWS ITEMS RELATING TO THE NEXT CRITICAL DATES FOR THE COALITION GOVERNMENT ON BARSEBACK 2 AND RINGHALS 3 AND THE ATTITUDES OF THE POLITICAL PARTIES AND THEIR LEADERS.

BARSEBACK 2. ON OCTOBER 1, SYDKRAFT, OWNERS AND OPERATORS OF THIS POWER PLANT, SUBMITTED AN APPLICATION

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TO CONTINUE OPERATION. THE CONDITIONS ACT OF MAY 1, 1977 REQUIRES THAT THE OPERATING UTILITY SHOW THE GOVERNMENT A VALID CONTRACT FOR REPROCESSING THE SPENT FUEL GENERATED BY THE PLANT. SYDKRAFT SIGNED A CONTRACT WITH THE FRENCH-OWNED COGEMA COMPANY; HOWEVER, MINISTER OF ENERGY OLOF JOHANSSON MAINTAINS THAT THE GOS-GOF MUST AGREE TO EXCHANGE LETTERS OF APPROVAL BEFORE THE CONTRACT CAN BE CONSIDERED

VALID. THE TWO GOVERNMENTS HAVE THE EXCHANGE OF LETTERS UNDER REVIEW, BUT IT IS NOT KNOWN WHEN THE EXCHANGE WILL TAKE PLACE. IN ANY EVENT, NO DECISION IS EXPECTED ON Barseback 2 BEFORE THE END OF THIS YEAR. ALL THE RELEVANT TECHNICAL AUTHORITIES (THE NATIONAL NUCLEAR POWER INSPECTORATE, THE NATIONAL SWEDISH INSTITUTE OF RADIATION PROTECTION, AND THE COUNCIL FOR RADIOACTIVE WASTE) HAVE APPROVED THE SYDKRAFT-COGEMA CONTRACT.

3. RINGHALS 3, THE SEVENTH REACTOR IN THE SERIES, WILL BE READY FOR CORE LOADING FEBRUARY 1, 1978. RINGHALS 3 MUST MEET BOTH REQUIREMENTS OF THE CONDITIONS ACT (SHOW A VALID CONTRACT FOR REPROCESSING SPENT FUEL AND SHOW HOW AND WHERE FINAL SAFE STORAGE OF PROCESSED OR UNPROCESSED FUEL CAN TAKE PLACE). RINGHALS 3 IS OWNED BY THE SWEDISH STATE BOARD. THE BOARD, EARLIER THIS YEAR, CONCLUDED A CONTRACT WITH COGEMA FOR THE PROCESSING OF 450 TONS OF SPENT NUCLEAR FUEL. THIS CONTRACT SHOULD FULFILL THE FIRST REQUIREMENT OF THE CONDITIONS ACT; HOWEVER, PRIME MINISTER FALLDIN BELIEVES THAT THE WASTE STORAGE PROBLEM WILL REQUIRE 15 TO 20 YEARS TO SOLVE. THE LIBERAL AND MODERATE PARTY LEADERS BELIEVE THAT THE WASTE STORAGE PROBLEM IS MORE TRACTABLE AND THEY WILL ASK FOR A QUICK DECISION WHEN THE REVIEW OF THE BOARD'S APPLICATION TO START RINGHALS 3 IS COMPLETED.

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4. THE DECISION ON RINGHALS 3 WILL BE THE FIRST REAL TEST FOR THE OPPONENTS AND PROPONENTS OF NUCLEAR POWER IN SWEDEN. SOME OBSERVERS INDICATE THAT IF THE GOVERNMENT GIVES THE GO-AHEAD OF RINGHALS 3 IT WILL MEAN APPROVAL OF THE ORIGINAL 12 OR 13 NUCLEAR PLANTS. IF THE DECISION IS NEGATIVE, THEN THE GOVERNMENT MUST ESTABLISH A DECOMMISSIONING PLAN AND, AT THE EARLIEST POSSIBLE DATE, STOP THOSE PLANTS NOW IN OPERATION. BOTH DECISIONS HAVE DIRECT POLITICAL CONSEQUENCES. PRIME MINISTER FALLDIN HAS DECLARED PUBLICLY THAT HE WILL LEAVE THE GOVERNMENT IF RINGHALS 3 IS STARTED.

5. PRIME MINISTER FALLDIN HAS STATED THAT A POSSIBLE REFERENDUM OR A NEW ELECTION COULD BE HELD AT THE EARLIEST IN THE SUMMER OF 1978. ON OCTOBER 14, MINISTER OF ENERGY OLOF JOHANSSON DECLARED "WHETHER THERE IS A REFERENDUM ON NUCLEAR POWER NEXT YEAR DEPENDS ON WHETHER OR NOT THERE IS THEN A DIVIDED OPINION ON THE QUESTION-WHICH THERE IS TODAY. IN SUCH A CASE, A REFERENDUM MAY BE HELD SHORTLY BEFORE OR AFTER SUMMER. THAT OPINION ABOUT NUCLEAR POWER IS DIVIDED IS REFLECTED IN THE PARLIAMENT AND THE GOVERNMENT. A REFERENDUM ON NUCLEAR POWER CAN NEVER BE

CONCERNED WITH SINGLE QUESTIONS SUCH AS THE START OF RING-HALS 3 OR THE CONTINUATION OF BARSEBACK 2, BUT WILL REFER TO THE WHOLE DIRECTION OF ENERGY POLICY. BEFORE THERE CAN BE A REFERENDUM, THE ENERGY COMMISSION MUST BE FINISHED WITH ITS WORK IN MARCH OF NEXT YEAR. THE ENERGY COMMISSION'S REPORT CAN FORM A BASIS FOR A REFERENDUM". THE COALITION GOVERNMENT IS IN AGREEMENT THAT THEY SHOULD AWAIT THE ENERGY COMMISSION'S REPORT AND SEE WHICH ALTERNATIVES ARE PROPOSED. THE COMMISSION'S ALTERNATIVES INCLUDE (A) CONTINUED EXPANSION OF NUCLEAR POWER, THAT IS, 13 UNITS, (B) CONTINUED OPERATION OF THE CURRENT SIX REACTORS ONLY, (C) DECOMMISSIONING OF NUCLEAR POWER PLANTS BY 1985, AND (D) CONTINUED EXPANSION OF NUCLEAR POWER PLANTS BEYOND THE 13 PLANNED PLANTS.
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6. THE CENTER PARTY HAS THE GREATEST INTEREST IN A POSSIBLE REFERENDUM, BUT THE PARTY ITSELF IS DIVIDED. A LARGE SEGMENT OF THE PARTY BELIEVES THAT A REFERENDUM WOULD GIVE A CLEAR "NO" TO NUCLEAR POWER. THEY WANT TO GO TO THE PEOPLE AND "SOLVE" THE GOVERNMENT CRISIS. THIS WING (OF THE PARTY) PLACES ITS HOPE ON MINISTER OF ENERGY JOHANSSON, BUT IT IS POSSIBLE THAT THE REFERENDUM COULD

(SINCE IT IS ADVISORY IN NATURE) DELAY "THE GREAT ENERGY POLICY DECISION" AND MAKE NUCLEAR ENERGY AN ELECTION QUESTION IN 1979.

7. THE CENTER PARTY'S LEADERSHIP IS DOUBTFUL ABOUT A REFERENDUM, EVEN IF FALLDIN BELIEVES THAT THE NUCLEAR POWER QUESTION IS SO IMPORTANT THAT IT MUST BE TAKEN TO THE PEOPLE TO GET A PUBLIC EXPRESSION ON THE ISSUE. IT IS NOT ENTIRELY CERTAIN THAT THE CENTER PARTY WOULD WIN A CLEAR "YES" FROM A REFERENDUM; A LOSS WOULD PRESUMABLY LEAD TO THE PRIME MINISTER'S RESIGNATION.

8. THE MODERATE PARTY IS MORE AND MORE EMBARRASSED ABOUT THE HUGE CAPITAL LOSSES AND ARE UNDER HEAVY PRESSURE FROM INDUSTRY TO REACH A DECISION ON NUCLEAR POWER QUICKLY.
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THEY WOULD LIKE TO PUT A LID ON THE DIFFICULT NUCLEAR WASTE DISPOSAL PROBLEM. A REFERENDUM WOULD EXPOSE HIGH COSTS FOR DELAYED DECISIONS AND THE ENORMOUS CAPITAL LOSSES THAT MIGHT BE THE CONSEQUENCE OF A REJECTION OF THE NUCLEAR POWER PROGRAM. MODERATE PARTY LEADERS ARE CONVINCED THAT A REFERENDUM WILL NOT TAKE PLACE. GOSTA BOHMAN REFUSES TO COMMENT ON PRIME MINISTER FALLDIN'S OPINION THAT A NEW ELECTION IS AN ALTERNATIVE TO A REFERENDUM.

9. THE LIBERAL PARTY IS NOT COUNTING ON A REFERENDUM BECAUSE THEY DO NOT BELIEVE THAT IT IS POSSIBLE TO FORMULATE THE ALTERNATIVE TO THE PRESENTED TO THE VOTERS IN A REFERENDUM. THE DIFFERENCE IN OPINION BETWEEN THE THREE PARTIES IS TOO GREAT, IN THEIR OPINION. PER AHLMARK, THE LIBERAL PARTY LEADER, STATED THAT THERE IS NO REASON TO SPECULATE ABOUT A NEW ELECTION AND THAT THE COALITION GOVERNMENT WILL CONTINUE TO OPERATE.

10. THE SOCIAL DEMOCRATS REGARD TALK OF A REFERENDUM AS AN INDICATION OF THE INNER TURMOIL WITHIN THE COALITION GOVERNMENT. THEY WOULD RATHER SEE A NEW ELECTION. IN OLOF PALME'S OPINION, THE SOCIAL DEMOCRATS WOULD MERELY VOTE FOR THE OUSTER OF FALLDIN AND WHAT THEY THINK ABOUT NUCLEAR POWER WOULD NOT EMERGE FROM A REFERENDUM. INGVAR CARLSSON, MP (SOCIAL DEMOCRAT) HAS ASKED GOSTA BOHMAN, MINISTER OF ECONOMY, TO REPORT ON THE CAPITAL LOSSES IF NUCLEAR POWER PLANTS 7 THROUGH 11 ARE NOT PLACED IN OPERATION AND ADDITIONAL COSTS IF THE PROJECTS ARE DELAYED. ACCORDING TO ESTIMATES, FOR EXAMPLE, FORSMARK 3 (REACTOR NUMBER 8) WOULD COST 2.2 BILLION SKR AND RESULT IN AN UNEMPLOYMENT FOR 6,000 PERSONS OVER THREE YEARS.

11. COMMENT. THERE IS LITTLE DOUBT BUT THAT PRESSURE IS

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MOUNTING ON THE CENTER PARTY AND THE PRIME MINISTER TO REACH A COMPROMISE WITH THE MODERATE AND LIBERAL PARTIES ON THE NUCLEAR ENERGY QUESTION. THE PRESS AND RADIO HAVE STARTED REFERRING TO THE ENORMOUS INVESTMENTS SWEDEN HAS ALREADY MADE IN THE NUCLEAR POWER PROGRAM, THE HUGE CAPITAL LOSSES AND FINES THAT WILL RESULT IF THE NUCLEAR PROGRAM IS STOPPED OR SCRAPPED, THE LONG LEAD-TIME BEFORE ALTERNATIVE ENERGY SOURCES WILL BE ABLE TO MAKE A CONTRIBUTION TO THE COUNTRY'S ELECTRICAL SUPPLY, EMPLOYMENT, AND OTHER MATTERS. INDEED, FALLDIN HAS BEEN REFERRED TO AS "AN EGOTISTICAL LEADER OF THE CENTER PARTY" WHO IS "PREPARED TO FIGHT AGAINST HIS GOVERNMENT COLLEAGUES TO WIN VOTES FOR HIMSELF" AND TO SHOW THAT "HE IS UNEASY ABOUT NUCLEAR POWER'S EFFECTS IN THE LONG RUN." MANY OBSERVERS BELIEVE THAT THE CASE WILL BE DECIDED IN FAVOR OF NUCLEAR POWER IN THE LONG-TERM, PRIMARILY FOR ECONOMIC REASONS. THE OVERALL PICTURE IN SWEDEN SEEMS TO BE ON THE ONE HAND, STRENGTHENING SENTIMENT THAT CONTINUED INVESTMENT IN NUCLEAR ENERGY IS A NECESSITY, AND ON THE OTHER HAND, A HARDENING FEELING AMONG OPPONENTS OF NUCLEAR POWER THAT A DETERMINED STAND AGAINST FURTHER EXPANSION MUST BE TAKEN NOW. THE PRESSURES ON THE COALITION GOVERNMENT'S UNITY, AND IN PARTICULAR ON THE CENTER PARTY, ARE GREAT, EVEN THOUGH MANY KNOWLEDGEABLE OBSERVERS ARE STILL PREDICTING THAT ENOUGH COMPROMISES WILL BE FOUND TO KEEP THE COALITION GOVERNMENT GOING SOMEHOW UNTIL THE 1979 ELECTIONS. THE EMBASSY WILL REPORT FURTHER ON THESE POLITICAL DEVELOPMENTS. KENNEDY-MINOTT

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NUCLEAR ENERGY, PRESS COMMENTS, POLICIES, PROGRAMS (PROJECTS)
Control Number: n/a
Copy: SINGLE
Sent Date: 17-Nov-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STOCKH04904
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770427-1069
Format: TEL
From: STOCKHOLM
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19771145/aaaabmrr.tel
Line Count: 258
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 62534117-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 02-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 543326
Secure: OPEN
Status: NATIVE
Subject: SWEDISH NUCLEAR ENERGY SITUATION
TAGS: ENRG, SW
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/62534117-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009